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SENSITIVE
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PLEASE PASS OPIC FOR KENNETH ANGELL
DEPARTMENT FOR AF/W

E.O. 12598: N/A
TAGS: [EINV](#) [EFIN](#) [OPIC](#) [LI](#)
SUBJECT: LIBERIA: APPLICATION FOR OPIC FINANCE: KENDEJA HOTEL
PROJECT

REF: STATE 49549

¶1. (U) The following response to reftel is based on information gleaned during the May 19-23 visit of OPIC officers Kenneth Angell and Barbara Gibian, on post's interaction with the Kendeja project prior to that meeting, and on information gleaned from Liberian officials and others who either support or opposed the project. During our discussions with supporters and potential opponents of the project, we found across-the-board support among Liberians.

¶2. (SBU) The RLJ Kendeja investment got off to a controversial start, drawing vociferous opposition from traditional leaders and from Representative Edwin Snowe, former speaker of the House of Representatives, in whose district Kendeja is located. In a May 20 meeting, Rep. Snowe told us he now thinks the Kendeja hotel project will benefit the community, and said he looks forward to walking over to enjoy the amenities once it is completed. He urged the RLJ companies to consider the long-term relations with the neighboring community, noting that while the employment offered by the project is very welcome now, resentment could grow once those jobs end and the contrast between the resort and the villages becomes more stark. (Note: The RLJ representatives are aware of this issue and have told us they plan to employ as many local residents as possible and are providing training that will make current employees more marketable. End note.)

¶3. (SBU) We also spoke with traditional leaders who said that although the GOL's decision to grant a sacred site to foreign investors was troubling to many Liberians, people understand that development is necessary. It was suggested that RLJ could take steps to incorporate traditional leaders in a ceremony that would recognize their spiritual concerns and promote greater acceptance of the project. RLJ reps have since taken steps to consult with Liberian traditional and cultural leaders.

¶4. (U) Market developments in hotel and tourism sector: Liberia's acute shortage of acceptable hotel rooms has spawned a building spree. A National Investment Commission (NIC) survey revealed approximately 400 hotel rooms in Monrovia, with under 200 of those at the one- or two-star level (and the rest below that). None of the hotels are or will be of the quality of the proposed RLJ hotel and the better ones operate near capacity. The NIC Chair estimates a market for approximately 1,000 rooms in Monrovia.

¶5. (SBU) This investment is a bet on Liberia's future, and will do much to secure that future. The scale of the investment and the attitude of the investors send a message to Liberians that their country is returning to normal and to investors that there are opportunities in Liberia. The project should also support growth of much needed services (such as transportation, trash collection, and hospitality services). Several of these services are offered by clients of the OPIC-funded Liberian Enterprise Development Finance Corporation (LEDFC), providing synergy.

¶6. (U) Participants that would cause the embassy not to support the

project: None. Post has been impressed with the foresight, sensitivity and diligence shown by participants in the project, from the contractors (who consulted with Econoffs in January) to the security officers (who met with posts' security counterparts this week). We are not aware of ties to terrorism, money laundering, corruption, or violations of law. The project participants seem to be placing a high priority on social and environmental considerations.

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